United Nations A/HRC/28/L.14

General Assembly

Distr.: Limited
23 March 2015

Original: English

Human Rights Council
Twenty-eighth session
Agenda item 3
Promotion and protection of all human rights, civil, political, economic, social and cultural rights, including the right to development

Algeria, Argentina, Belarus,* Bolivia (Plurinational State of), Congo, Cuba, Ecuador,* El Salvador, Ethiopia, Indonesia, Nicaragua,* Pakistan, State of Palestine,* Sudan,* Syrian Arab Republic,* Venezuela (Bolivarian Republic of): draft resolution

28/...The effects of foreign debt and other related international financial obligations of States on the full enjoyment of all human rights, particularly economic, social and cultural rights

The Human Rights Council,

Guided by the Charter of the United Nations, the Universal Declaration of Human Rights, the Vienna Declaration and Programme of Action and other relevant international human rights instruments,

Reaffirming all resolutions and decisions adopted by the Commission on Human Rights and the Human Rights Council on the effects of structural adjustment and economic reform policies and foreign debt on the full enjoyment of all human rights, particularly economic, social and cultural rights, the latest being Council resolution 25/16 of 15 April 2014,

Reaffirming also Human Rights Council resolutions 25/9 of 27 March 2014 and 27/30 of 26 September 2014,

Reaffirming further Human Rights Council resolution S-10/1 of 23 February 2009 on the impact of the global economic and financial crises on the universal realization and effective enjoyment of human rights,

Bearing in mind paragraph 6 of General Assembly resolution 60/251 of 15 March 2006,

* Non-member State of the Human Rights Council.

Stressing that one of the purposes of the United Nations is to achieve international cooperation in solving international problems of an economic, social, cultural or humanitarian character,

Emphasizing that the World Conference on Human Rights agreed to call upon the international community to make all efforts to help to alleviate the external debt burden of developing countries in order to supplement the efforts of the Governments of such countries to attain the full realization of the economic, social and cultural rights of their people,

Stressing the determination expressed in the United Nations Millennium Declaration to deal comprehensively and effectively with the debt problems of low- and middle-income developing countries through various national and international measures designed to make their debt sustainable in the long term,

Mindful of the role, mandate and activities of other United Nations agencies, funds and programmes in dealing with the issues of foreign debt and international financial obligations,

Noting the concern expressed in the declaration that Heads of State and Government of the Group of 77 and China issued on the occasion of the summit entitled "For a New World Order for Living Well", held in Santa Cruz de la Sierra, Plurinational State of Bolivia, on 14 and 15 June 2014,[1] that reiterates the importance of not allowing vulture funds to paralyse the debt restructuring efforts of developing countries, and that these funds should not supersede the State's right to protect its people under international law,

Acknowledging that there is greater acceptance that the increasing debt burden faced by the most indebted developing countries, in particular the least developed countries, is unsustainable and constitutes one of the principal obstacles to achieving progress in people-centred sustainable development and poverty eradication and that, for many developing countries and countries with economies in transition, excessive debt servicing has severely constrained their capacity to promote social development and to provide basic services to create the conditions for the realization of economic, social and cultural rights,

Expressing its concern that, despite repeated rescheduling of debt, developing countries continue to pay out more each year than the actual amount they receive in official development assistance,

Recognizing the sovereign right of any State to restructure its sovereign debt, which should not be frustrated or impeded by any measure emanating from another State,

Expressing its concern about the voluntary nature of international debt relief schemes, which has created opportunities for vulture funds to acquire defaulted sovereign debt at vastly reduced prices and then seek repayment of the full value of the debt through litigation, seizure of assets or political pressure,

Recalling General Assembly resolution 68/304 of 9 September 2014, in which the Assembly decided to elaborate and adopt a multilateral legal framework for sovereign debt restructuring processes with a view, inter alia, to increasing the efficiency, stability and predictability of the international financial system and achieving sustained, inclusive and equitable economic growth and sustainable development, in accordance with national circumstances and priorities, and recalling also Assembly resolution 69/247 of 29 December 2014, in which the Assembly decided to establish an ad hoc committee to

[1] See A/68/948, annex.

elaborate through a process of intergovernmental negotiations such a multilateral legal framework,

Affirming that debt burden further complicates the numerous problems facing developing countries, contributes to extreme poverty and is an obstacle to sustainable human development, and is thus a serious impediment to the realization of all human rights, in particular the right to development,

1. *Takes note* of the report of the Independent Expert on the effects of foreign debt and other related international financial obligations of States on the full enjoyment of all human rights, particularly economic, social and cultural rights,[2] and welcomes the work and contributions of the Independent Expert;

2. *Recalls* the endorsement of the Human Rights Council, in its resolution 20/10 of 5 July 2012, of the guiding principles on foreign debt and human rights;[3]

3. *Reiterates* its encouragement to all Governments, relevant United Nations agencies, funds and programmes and the private sector to take into consideration the guiding principles when designing policies and programmes;

4. *Recalls* that every State has the primary responsibility to promote the economic, social and cultural development of its people and, to that end, has the right and responsibility to choose its means and goals of development and should not be subject to external specific prescriptions for economic policy;

5. *Recognizes* that structural adjustment reform programmes and policy conditionalities limit public expenditure, impose fixed expenditure ceilings and give inadequate attention to the provision of social services, and that only a few countries manage to achieve sustainable higher growth under these programmes;

6. *Reaffirms* the fact that responses to the global financial and economic crises should not result in a decrease in debt relief, nor should they be used as an excuse to stop debt relief measures, as that would have negative implications for the enjoyment of human rights in affected countries;

7. *Expresses its concern* that the level of implementation and the reduction of overall debt stock under the enhanced Heavily Indebted Poor Countries Initiative are still low, and that the Initiative is not intended to offer a comprehensive solution to the long-term debt burden;

8. *Reiterates its conviction* that, for heavily indebted poor countries to achieve debt sustainability, long-term growth and poverty reduction goals, the debt relief under the above-mentioned Initiative will not be sufficient and that additional resource transfers, in the form of grants and concessional loans and the removal of trade barriers and better prices for their exports, would be required to ensure sustainability and permanent exit from debt overhang;

9. *Regrets* the absence of mechanisms to find appropriate solutions to the unsustainable foreign debt burden of low- and middle-income heavily indebted countries, and that, to date, little headway has been made in redressing the unfairness of the current system of debt resolution, which continues to place the interests of the lenders above those of indebted countries and the poor in those countries, and therefore calls for an intensification of efforts to devise effective and equitable mechanisms to cancel or reduce substantially the foreign debt burden of all developing countries, in particular those

[2] A/HRC/28/59.
[3] A/HRC/20/23, annex.

severely affected by the devastation of natural disasters, such as tsunamis and hurricanes, and by armed conflicts;

10. *Condemns* the activities of vulture funds for the direct negative effect that the debt repayment to those funds, under predatory conditions, has on the capacity of Governments to fulfil their human rights obligations, particularly economic, social and cultural rights and the right to development;

11. *Affirms* that, from a human rights perspective, the existence of vulture funds has a direct negative effect on the capacity of Governments to fulfil their human rights obligations, especially with regard to economic, social and cultural rights;

12. *Reaffirms* in this context that the activities of vulture funds highlight some of the problems in the global financial system and are indicative of the unjust nature of the current system, which directly affects the enjoyment of human rights in debtor States, and calls upon States to consider implementing legal frameworks to curtail predatory vulture fund activities within their jurisdictions;

13. *Acknowledges* that, in least developed countries and in several low- and middle-income countries, unsustainable levels of external debt continue to create a considerable barrier to economic and social development and increase the risk that the Millennium Development Goals for development and poverty reduction will not be attained;

14. *Recognizes* that debt relief can play a key role in liberating resources that should be directed towards activities consistent with attaining sustainable growth and development, including poverty reduction and the achievement of the development goals, including those set out in the United Nations Millennium Declaration, and therefore that debt relief measures, where appropriate, should be pursued vigorously and expeditiously, ensuring that they do not replace alternative sources of financing and that they are accompanied by an increase in official development assistance;

15. *Recalls once again* the call on industrialized countries, as expressed in the Millennium Declaration, to implement the enhanced programme of debt relief without further delay and to agree to cancel all official bilateral debts of those countries in return for their making demonstrable commitments to poverty reduction;

16. *Urges* the international community, including the United Nations system, the Bretton Woods institutions and the private sector, to take appropriate measures and actions for the implementation of the pledges, commitments, agreements and decisions of major United Nations conferences and summits, including the Millennium Summit, the World Conference on Human Rights, the World Conference against Racism, Racial Discrimination, Xenophobia and Related Intolerance, the World Conference on Sustainable Development and the International Conference on Financing for Development, in particular those relating to the question of the external debt problem of developing countries, in particular of heavily indebted poor countries, least developed countries and countries with economies in transition;

17. *Recalls* the pledge contained in the Political Declaration annexed to General Assembly resolution S-24/2, adopted on 1 July 2000 by the Assembly, to find effective, equitable, development-oriented and durable solutions to the external debt and debt-servicing burdens of developing countries;

18. *Stresses* the need for the economic reform programmes arising from foreign debt to be country-driven and for any negotiations and conclusion of debt relief and new loan agreements to be formulated with public knowledge and transparency, with legislative frameworks, institutional arrangements and mechanisms for consultation being established to ensure the effective participation of all components of society, including people's

legislative bodies and human rights institutions, and particularly of the most vulnerable or disadvantaged, in the design, application and evaluation of strategies, policies and programmes, as well as in the follow-up to and systematic national supervision of their implementation, and for macroeconomic and financial policy issues to be integrated, on an equal footing and in a consistent way, in the realization of broader social development goals, taking into account the national context and the priorities and needs of the debtor countries to allocate resources in a way that ensures balanced development conducive to the overall realization of human rights;

19. *Also stresses* that the economic reform programmes arising from foreign debt should maximize the policy space of developing countries in pursuing their national development efforts, taking into account the views of relevant stakeholders in a way that ensures balanced development conducive to the overall realization of all human rights;

20. *Further stresses* that the economic programmes arising from foreign debt relief and cancellation must not reproduce past structural adjustment policies that have not worked, such as dogmatic demands for privatization and reduced public services;

21. *Calls upon* States, the International Monetary Fund and the World Bank to continue to cooperate closely to ensure that additional resources made available through the Heavily Indebted Poor Countries Initiative, the Global Fund to Fight AIDS, Tuberculosis and Malaria and other new initiatives are absorbed in the recipient countries without affecting ongoing programmes;

22. *Calls upon* creditors, particularly international financial institutions, and debtors alike to consider the preparation of human rights impact assessments with regard to development projects, loan agreements or poverty reduction strategy papers;

23. *Reaffirms* the fact that the exercise of the basic rights of the people of debtor countries to food, housing, clothing, employment, education, health services and a healthy environment cannot be subordinated to the implementation of structural adjustment policies, growth programmes and economic reforms arising from the debt;

24. *Urges* States, international financial institutions and the private sector to take urgent measures to alleviate the debt problem of those developing countries particularly affected by HIV/AIDS so that more financial resources may be released and used for health care, research and treatment of the population in the affected countries;

25. *Reiterates* its view that, in order to find a durable solution to the debt problem and for the consideration of any new debt resolution mechanism, there is a need for a broad political dialogue between creditor and debtor countries and the multilateral financial institutions, within the United Nations system, based on the principle of shared interests and responsibilities;

26. *Encourages* all States to participate in the negotiations aimed at establishing a multilateral legal framework for sovereign debt restructuring processes, as referred to in General Assembly resolution 68/304, and invites States participating in the negotiations to ensure that such a multilateral legal framework will be compatible with existing international human rights obligations and standards;

27. *Reiterates* its request to the United Nations High Commissioner for Human Rights to pay more attention to the problem of the debt burden of developing countries, in particular of least developed countries, and especially the social impact of the measures arising from foreign debt;

28. *Requests* the Independent Expert to continue to explore the interlinkages with trade and other issues, including HIV/AIDS, when examining the impact of structural adjustment and foreign debt, and also to contribute, as appropriate, to the process entrusted

with the follow-up to the International Conference on Financing for Development with a view to bringing to its attention the issue of the effects of structural adjustment and foreign debt on the enjoyment of human rights, particularly economic, social and cultural rights;

29. *Encourages* the Independent Expert to continue to cooperate, in accordance with his mandate, with the Committee on Economic, Social and Cultural Rights, special rapporteurs, independent experts and members of the expert working groups of the Human Rights Council and its Advisory Committee on issues relating to economic, social and cultural rights and the right to development in his work;

30. *Requests* the Independent Expert to report to the General Assembly on the issue of the effects of foreign debt and other related international financial obligations of States on the full enjoyment of all human rights, particularly economic, social and cultural rights;

31. *Requests* the Secretary-General to provide the Independent Expert with all necessary assistance, in particular all the staff and resources required to carry out his functions;

32. *Urges* Governments, international organizations, international financial institutions, non-governmental organizations and the private sector to cooperate fully with the Independent Expert in the discharge of his mandate;

33. *Requests* the Independent Expert to submit a report on the implementation of the present resolution to the Human Rights Council at its thirty-first session;

34. *Decides* to continue its consideration of this matter at its thirty-first session under the same agenda item.